KEEL INFRASTRUCTURE

K DIGITAL POWER WEEKLY

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$75B
SpaceX IPO Proceeds

$10B+
Helix Capital Commitments

50 GW
Vistra Portfolio (pro forma)

1.8 GW
Crusoe Wyoming Pause

In this Issue

WEEK IN REVIEW

The Moat Is Not the Model, It's the Megawatt: IDPs Are the New IPPs

This week's AI infrastructure news looked, at first glance, like four separate stories: SpaceX's record IPO; KKR's launch of Helix Digital Infrastructure with Nvidia and Vistra; Crusoe's reported problems in Abilene/Wyoming and last week's SoftBank-DigitalBridge acquisition of ArcLight. In reality, they were all one story — and the story is about execution.

The AI race is no longer primarily a model race, or even a capital race. It is an execution race — and that is why AI platforms are now morphing into power platforms, either buying outright or joint-venturing directly with Independent Power Producers to become *Integrated Digital Power (IDP) platforms*.

The common thread is not capital availability. Capital is abundant. SpaceX raised the largest IPO in history. What separates the winners is whether they can pair that capital with controlled, operable power. The clearest evidence is the two paths digital-infrastructure platforms are now taking to internalize power. DigitalBridge, pending its own acquisition by SoftBank, agreed to acquire ArcLight outright for its power development, operations, commodity-market experience and project-finance execution — a deal that, by CEO Marc Ganzi's own account, began as a roughly $5 billion joint venture to build dedicated, behind-the-meter power and converted to a full merger within months once both sides found a shared appetite to be industrial builders. KKR is taking a partnership path, bringing Vistra, a roughly 50 GW competitive power company, into Helix as preferred power provider alongside Nvidia and sovereign capital. Different structures, identical logic: own or partner deeply with the power layer, because the binding constraint is no longer data center equity but the ability to combine power development, operations, procurement, interconnection, tenant contracting and execution control inside one institutional framework.

Ganzi made the strategic logic explicit in a *Bloomberg* interview this week. Pressed on why a digital-infrastructure platform was buying a power company, he reframed the entire race in one quoted line: *"the path to tokenization goes through power."* The phrase is Jensen Huang's, but Ganzi's insightful point was that the platform that controls the megawatt controls the deal: DigitalBridge has roughly 7.7 GW of compute available today and about 32 GW connected or ready for service across eleven portfolio companies. His tell on what actually wins was not returns but reliability: bringing power and compute together lifts returns, he said, but the decisive advantage is the ability to "show up on time for the customer." That is the moat. It is not the model. It is the megawatt — and the operating capability to deliver it on schedule.

Crusoe, by contrast, appears to be the instructive counter-case. Its success is indisputable: reporting earlier this year had Crusoe raising a pre-IPO round at a $10+ billion valuation. Yet its reported difficulties at its gigawatt-scale project in Abilene (Stargate) appears to cluster squarely on the power and physical-infrastructure side of the equation — not on demand or capital. The lesson hiding inside the valuation may very well be: even a company the market loves can stumble when execution on power lags the compute thesis. **Integrated Digital Power platforms — ones that own or control generation, operations, interconnection and power teams that can execute— are now required to win. The lesson is not that speed is bad. The lesson is that speed without integrated energy (electric and thermal) execution is not speed. It is risk compression**.

1. SPACEX: THE MARKET PRICED THE THESIS, THEN THE PHYSICAL LAYER PUSHED BACK

SpaceX's IPO was the week's symbolic event. A company historically understood as rockets and satellite broadband came public as something larger: a public-market expression of the AI infrastructure thesis. Yet *Bloomberg* reported that SpaceX rented the full capacity of its Colossus 1 data center in Memphis to Anthropic after its own teams had trouble using the facility for Grok. The issue was coordination.

Latency issues, hardware variation and aging network infrastructure made it difficult to stitch three campuses into one effective AI training platform. Even SpaceX could not simply wish away the physics. AI training is not a generic warehouse problem; it is a complex, high-density, low-latency, power-sensitive, thermally constrained, network-dependent industrial process.

2. KKR / HELIX / VISTRA: INSTITUTIONAL CAPITAL IS MOVING TOWARD INTEGRATED CONTROL

KKR did not launch another data center fund. It launched a coordination vehicle. Helix is designed to serve as a single point for hyperscalers' data center, power, connectivity and related infrastructure needs. That language matters because the customer no longer wants a site. It wants delivered compute.

That is why Vistra matters. KKR brought in a proven competitive power company before scaling the platform. Vistra brings generation ownership, plant operations, dispatch knowledge, fuel-market familiarity, reliability culture and the institutional knowledge required to develop, execute and run large power plants safely. Nvidia brings the AI factory architecture. KKR brings capital and structuring. Their model is to assemble the power, operating talent and capital stack before making the promise.

3. SOFTBANK / DIGITALBRIDGE / ARCLIGHT: POWER EXPERTISE IS BEING INTERNALIZED

The SoftBank-DigitalBridge-ArcLight transaction points in the same direction as Helix. DigitalBridge already had data-center DNA; SoftBank brings strategic AI capital; ArcLight adds the energy layer: power development, power operations, commodity-market experience and project-finance execution (80+ person team). The strategic logic is straightforward: AI infrastructure is moving from “find me land and utility service” to “show me controlled power, execution certainty and an operating team that has actually built and run complicated energy assets.”

The market is saying that power development and operations are no longer back-office functions. They are board-level strategic capabilities. SoftBank-DigitalBridge are not buying ArcLight because they want a passive energy sleeve. They are buying it because AI infrastructure platforms that lack real power capability will be structurally disadvantaged.

Read-Through: The next winning platforms will have controlled power positions, utility relationships, operating depth and the discipline to sequence projects around physical bottlenecks.

4. CRUSOE: FIRST-MOVER SPEED MET THE HARD WALL OF EXECUTION COMPLEXITY

Crusoe appears to be the negative mirror image of the same thesis. It saw the AI data-center opportunity early and moved aggressively from bitcoin mining and stranded gas into AI infrastructure. But the Abilene and Wyoming reporting, if verified, show the potential downside of speed without enough mature institutional depth. At Abilene, *The Information* reported that Crusoe engineers were challenged to make gas turbines operate harmoniously with one of the most expensive AI supercomputer projects in history. This is in addition to a reported outage earlier this year caused by winter weather hitting some of the liquid-cooling equipment, with several buildings forced offline for multiple days. *Bloomberg* separately reported that Crusoe was apparently being pushed aside in the gigawatt-scale Wyoming project after Google raised cost and timetable concerns.

THE BOTTOM LINE: AI IS REPRICING THE PHYSICAL STACK

Taken together, the four stories mark a turn in the cycle. SpaceX shows that even the most celebrated builder in the world can struggle to coordinate AI compute across physical campuses. KKR-Helix shows that capital is organizing itself around integrated delivery, with power and compute planned together from inception. SoftBank-DigitalBridge-ArcLight shows that digital infrastructure platforms are internalizing power expertise. Crusoe may show that speed without precise execution can create delays, cost pressure and customer defection. Where Digital Power is concerned, the market is unforgiving. The first phase rewarded vision and speed. The second phase will reward control, reliability and execution.

“Vision without execution is hallucination”

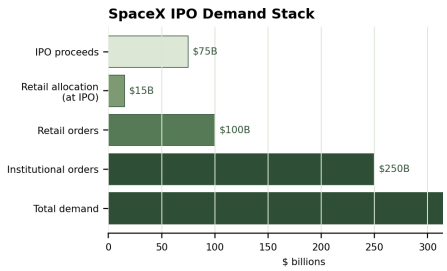
— often attributed to Thomas Edison

★ MARKET SPOTLIGHT | FEATURED ANALYSES

SPACEX IPO VALIDATES INFRASTRUCTURE AS A PUBLIC-MARKET ASSET CLASS

SpaceX sold 555.6 million shares at $135, raising a record $75 billion and debuting at roughly a $1.77 trillion equity value ($1.8 trillion diluted). The order book reportedly topped $350 billion, including more than $250 billion from institutions and more than $100 billion from retail investors. Roughly 20% of the deal was allocated to individuals, while about 70% of institutional allocations went to long-only holders.

That is extraordinary sponsorship by any standard. A deal more than 4x oversubscribed, with a retail order book larger than most entire IPOs, tells us the market was not simply buying Elon Musk optionality. It was buying scarcity value in a platform that controls launch, low-earth-orbit connectivity and now a meaningful piece of AI infrastructure.



Bloomberg-reported order book and allocation data.

By the close of its first session, *Bloomberg* reported SpaceX had reached an approximate $2.1 trillion market capitalization, up from the $1.77 trillion IPO value — an implied first-day uplift of roughly 19%. That move sharply increased the paper wealth of Elon Musk, who owns roughly 40% of the company.

Importantly, the tape was willing to capitalize future infrastructure dominance despite modest current fundamentals: *Bloomberg Businessweek* cites 2025 revenue of $18.7 billion, a net loss of $4.9 billion and a 1Q26 loss of $4.3 billion. The S-1 nevertheless framed a $28.5 trillion addressable market, including $370 billion of launch, $1.6 trillion of satellite-related opportunity and $26.5 trillion tied to AI hardware and software in space. Wall Street is thus underwriting the Age of Infrastructure thesis: own the choke points, spend aggressively, and let the income statement follow later.

Analyst Read-Through: *This is the decisive shift from the software era. Public investors are no longer asking only who has the best code and most extensive market share; they are asking who can control irreplaceable infrastructure layers for the next decade, even if near-term reported earnings remain deeply negative.*

Links: Bloomberg Businessweek | Bloomberg: IPO valuation

Integrated from Keel draft essay “SpaceX & The Age of Infrastructure.”

★ MARKET SPOTLIGHT | FEATURED ANALYSES

COLOSSUS 1 SHOWS HOW HARD DELIVERED COMPUTE REALLY IS

Bloomberg reported that the company leased the full capacity of Colossus 1 in Memphis to Anthropic after encountering latency problems linking it with two other campuses located more than 10 miles away, compounded by aging network infrastructure. Hardware heterogeneity added further drag: Colossus 1 reportedly

contained a mix of Hopper, Blackwell and older accelerators, while Colossus 2 and 3 were built more uniformly around Blackwell.

Rather than keep absorbing that coordination penalty, SpaceX monetized the site and preserved newer campuses for internal AI use. The challenge was not capital scarcity or chip scarcity; it was synchronization across fiber, power, cooling, physical distance and hardware standardization. As we've reported, the Anthropic and Google computing deals with SpaceX are potentially worth tens of billions of dollars over several years, reinforcing that properly coordinated AI infrastructure can itself become a product.

Analyst Read-Through: *Delivered AI compute is not a warehouse product. It is an integrated industrial system. The prize in Digital Power will accrue to the developers that can make electrons, fiber, cooling, site design and chip architecture behave as one synchronized asset.*

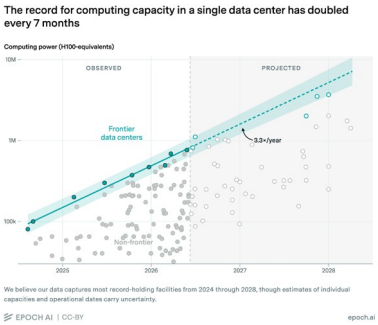
Links: Bloomberg: Colossus 1 / Anthropic

Integrated from Keel Briefing "SpaceX & The Age of Infrastructure."

DEVELOPMENT

EPOCH AI: SINGLE-SITE FRONTIER COMPUTE RECORD DOUBLING EVERY SEVEN MONTHS

Epoch AI's dataset shows the record for computing capacity in a single AI data center has doubled every seven months since xAI's Colossus 1 launched in August 2024, implying a 3.3x annualized rate of frontier-site scaling. The observed leaders include Anthropic-Amazon New Carlisle, Microsoft Fairwater Atlanta and Meta Prometheus; Epoch expects no site to meaningfully exceed Colossus 2 until 2H27, followed by a reversion to trend when QTS Cedar Rapids and Meta Hyperion are projected to complete in late-2027/early-2028. The infrastructure significance is that model competition is now moving into single-campus density. Frontier training wants bigger contiguous clusters, fewer latency seams, deeper power positions and better cooling integration. A 7-month doubling cadence means developers cannot solve AI demand with ordinary colocation increments; the market is moving toward multi-GW campuses whose interconnect, thermal and power systems are designed as one machine.



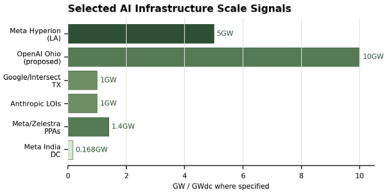
Epoch AI: largest single-site AI compute capacity, observed and projected.

Read-Through: *The curve is the physical-stack version of Moore's Law: AI scale is shifting from chips alone to campus-scale coordination, and the winning sites will be those that can concentrate power, cooling and low-latency compute faster than the model layer can consume it.*

Links: Epoch AI

OPENAI PURSUES 10GW OHIO CAMPUS WITH NVIDIA CREDIT SUPPORT

OpenAI is reportedly in advanced negotiations to lease a proposed 10GW AI data center campus on DOE-owned land in southern Ohio, with Nvidia discussing credit support for OpenAI's lease obligations and SB Energy's project financing. The scale is extraordinary: *The Information* estimates a fully built-out campus would cost at least $500B at today's chip, labor, power and materials prices; the proposed arrangement would involve a 20-year lease, a first 800MW phase expected in 2028, and tens of billions of lease payments before hardware. Because chips and servers typically represent roughly 70% of AI data center costs, *h* estimates OpenAI could need approximately $350B for Nvidia AI chips if the full campus is built. The site also has a power-first structure: SB Energy is tied to a $33B, 9.2GW gas plant plan, government-owned but SB-operated, with SB Energy expected to fund grid upgrades so costs are not passed to the public.



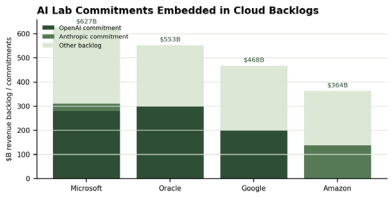
Selected campus-scale AI projects; OpenAI Ohio would be the outlier at 10GW.

Read-Through: *This is no longer cloud procurement; it is sovereign-scale infrastructure finance. Nvidia's balance sheet could be pulled into the project-finance stack because the model company's demand is now larger than conventional developer credit can support.*

Links: The Information

ANTHROPIC SIGNS 1GW+ OF DATA CENTER LOIs AND SEEKS GOOGLE LEASE BACKSTOP

Anthropic has signed more than a dozen letters of intent with U.S. data center developers representing more than 1GW of capacity, while discussing an arrangement under which Google would provide financial guarantees for some lease obligations. The strategic move is a clear shift from renting cloud servers toward controlling physical capacity. The credit logic is equally clear: Anthropic alone lacks the balance sheet and credit rating developers and lenders need for multi-billion-dollar data center financing, while Google could provide the guarantee needed to convert Anthropic demand into financeable debt if the arrangement is finalized. *The Information's* backlog analysis shows AI lab commitments now embedded deeply in the four largest U.S. cloud backlogs: Microsoft $627B total backlog with at least 49% from OpenAI/Anthropic, Oracle $553B with 54%, Google roughly $467.6B with 43%, and Amazon roughly $464B with 51%. Anthropic has also reportedly agreed to buy $20B of Broadcom TPUs, increasing the strategic value of Google/Broadcom-backed facilities.



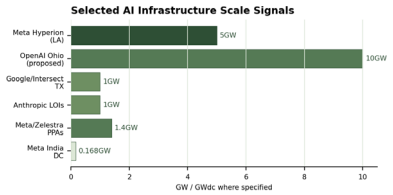
The Information: OpenAI/Anthropic commitments as a share of major cloud backlogs.

Read-Through: *The AI labs are swimming upstream into capacity control, but their balance sheets still need hyperscaler or chip-vendor credit support. The next financing model is circular but powerful: chips, leases and guarantees are becoming one capital stack.*

Links: The Information

GOOGLE AND INTERSECT ADVANCE TEXAS “POWER-FIRST” AI CAMPUS

Google and Intersect announced the Meitner Energy Center in Gray and Roberts Counties, Texas: an air-cooled data center built alongside new energy generation in a co-located, power-first configuration. The project includes more than 1GW of wind, solar and battery storage systems, with the majority of the site's power supplied by clean energy starting on Day One and a minority share firmed by on-site gas. Google emphasizes that it pays for 100% of the power it uses and will cover infrastructure needs driven by its growth rather than passing those costs to local families. Water is also part of the design thesis: the facility will use advanced air-cooling technology, limiting water consumption to small-scale domestic uses, and Google announced a $10M Texas Water Impact Fund for community water infrastructure and access. Local economic claims include direct Google data-center jobs and the company's multiplier that each U.S. data-center job supports nine additional local jobs.



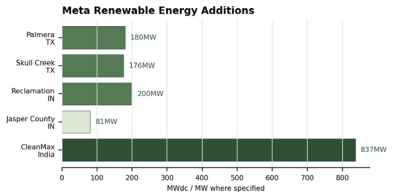
Google/Intersect adds another >1GW power-first project to the AI campus map.

Read-Through: *The site is not just a data center; it is a coordinated power, water, community and grid package. Google is pre-answering the local opposition memo before the opposition forms.*

Links: Google / Intersect announcement

META SCALES RENEWABLE BOOK ACROSS INDIA AND U.S. TO ~2.3GW

Meta is partnering with Reliance Industries on its first AI data center in India, a 168MW facility in Jamnagar, Gujarat, that Reliance will build and Meta will lease, with an option to expand over time. The project deepens a relationship that began with Meta's $5.7B investment in Jio Platforms around 2020 and places Meta's AI infrastructure inside one of India's most strategically important industrial complexes, home to Reliance's massive refining footprint. *Bloomberg* noted that India is attracting major tech infrastructure spending, including a combined $52B from Amazon and Microsoft this year. In the same market, OpenAI has partnered with Tata on a 100MW data center that could scale to 1GW, with Bloomberg noting a 1GW facility can cost $35B-$50B.



Meta renewable additions tied to U.S. and India AI infrastructure commitments.

In India, Meta is expanding its renewable-energy collaboration to more than 900MW, partnering with CleanMax and Fourth Partner Energy to back nearly 1GW. In the U.S., Meta and Zelestra announced a new PPA for the 180MWdc Palmera Solar Plant in Freestone County, Texas, expanding an existing Meta-backed Zelestra portfolio to roughly 1.4GWdc across eight U.S. projects expected online by 2028 — including Skull Creek (176MWdc) and Reclamation Solar in Indiana (200MWdc), with Jasper County, Indiana (81MWdc) recently online as the first project delivered under the partnership. The read-through is consistent across geographies: Meta is building the renewable procurement book around AI load growth before emissions and community opposition become larger constraints. With a 2030 net-zero supply-chain target and rising emissions pressure from AI, incremental PPAs are now part of the cost of compute growth, not a separate ESG overlay.

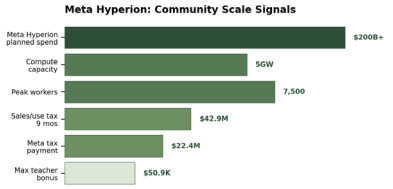
Read-Through: *Meta is using local industrial champions to enter sovereign AI markets — lease the local partner’s build capability, wrap it with renewables, and place AI compute closer to strategic demand centers. The renewable book is doing double duty as both a load-serving strategy and a political license strategy: the Zelestra and India portfolios are small relative to Hyperion, but strategically important as evidence that new load can be paired with new generation.*

Links: Bloomberg | Meta | Utility Dive

DEVELOPMENT

META HYPERION RESHAPES RURAL LOUISIANA: $200B+, 5GW, 7,500 WORKERS — AND $50K TEACHER BONUSES

Bloomberg Businessweek's Richland Parish deep dive is the best current case study of how AI infrastructure is becoming local economic policy. Meta's Hyperion campus is described as a 5-mile-by-1-mile construction zone in a parish of roughly 20,000 residents, with as many as 7,500 workers expected and 10 new gas-fired turbines planned to support operations. The project has reportedly grown to more than $200B of Meta spending and is expected to reach 5GW of compute capacity, roughly comparable to New York City's winter-day power use. The rural siting logic is explicit: abundant land and energy, limited regulation, and communities searching for a lifeline after agricultural decline. That does not eliminate political risk; it changes the bargain. Meta is effectively converting depressed agricultural land into a sovereign-scale industrial AI platform, with Wall Street and Washington helping insulate the buildout.



Selected figures from Bloomberg / WSJ reporting on Hyperion and Richland Parish.

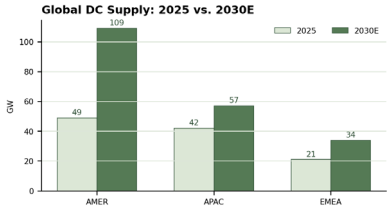
That bargain is already showing up in local budgets. The WSJ reported that some Richland Parish teachers will receive bonuses up to $50,935 this year as tax receipts rise in part from Meta's construction. Local officials said the parish collected $42.9M in sales and use tax during the first nine months of the current fiscal year, more than double the prior year's total, and Meta separately made a $22.4M tax payment in May. Because public opposition to data centers increasingly centers on affordability and whether communities receive durable value, a visible, locally understood benefit like a $50K teacher bonus can compete with abstract concerns about AI. It does not solve power, water or emissions issues, but it changes the messaging equation: communities can see a line from construction activity to school funding to household income.

Read-Through: *Hyperion is a template for the AI infrastructure age: rural economic revitalization and massive load concentration arrive in the same package. The lesson is that community benefits must be concrete, recurring and easy to explain — ratepayer credits, school funding and local tax receipts are not side issues; they are the political balance sheet for large-load development. The durable winners will be those that convert local economic value into community consent before opponents define the project.*

Links: Bloomberg Businessweek | WSJ

JLL: NEARLY 100GW OF NEW DATA CENTERS BY 2030; SPACE BECOMES THE LONG-DURATION OPTION

JLL argues that data centers in space are no longer science fiction but a developing strategic option driven by terrestrial constraints: land, power, sustainability and geopolitical security. Its near-term numbers are the more actionable point. JLL says global data center energy consumption reached approximately 415TWh in 2025, installed capacity stands near 100GW, and nearly 100GW of new data centers will be added between 2025 and 2030, effectively doubling global capacity. Its regional forecast shows AMER growing from 49GW in 2025 to 109GW in 2030, APAC from 42GW to 57GW, and EMEA from 21GW to 34GW. The orbital thesis remains specialized: space could serve asynchronous, energy-heavy workloads while Earth-based data centers retain real-time dominance. The investment signal is to monitor launch cost curves, orbital compute economics, thermal management, data transmission and jurisdictional risk.



JLL Research: regional data-center supply forecast, 2025 to 2030E.

Read-Through: *The space-data-center story is less about near-term displacement than about scarcity. If Earth cannot site and power enough compute, orbital infrastructure becomes the extreme expression of the same constraint HPCs are underwriting on the ground.*

Links: JLL

OPENAI WEIGHS TOKEN PRICE CUTS AS ENTERPRISE AI SHIFTS FROM NOVELTY TO ROI DISCIPLINE

The WSJ reports that OpenAI is considering drastic token price cuts as it anticipates a user and enterprise-share battle with Anthropic. The pricing move would respond to rising customer resistance: Sam Altman called AI costs 'a huge issue,' while the article notes enterprise executives are beginning to balk at high usage costs and debate 'tokenmaxxing' - using more tokens to boost productivity even when ROI is hard to prove. The commercial tension is straightforward: cutting token prices can accelerate adoption and defend enterprise share, but it also pressures margins at companies already losing billions because inference and training require massive compute resources. Anthropic's Claude Code momentum has raised competitive pressure, while OpenAI is pushing Codex to regain developer mindshare. The infrastructure read-through is important: falling unit prices do not reduce physical demand; they may increase it by stimulating usage, pushing more volume onto already constrained power and compute systems.

Read-Through: *AI price cuts are bearish for model gross margins but bullish for infrastructure utilization. Lower token prices convert latent demand into load, which means more pressure on power, cooling, networking and campus-scale capacity.*

Links: WSJ

BEZOS LAUNCHES PROMETHEUS TO BUILD AN ARTIFICIAL GENERAL ENGINEER FOR PHYSICAL PRODUCTS

Jeff Bezos is co-leading Prometheus, a new AI venture aimed at building an 'artificial general engineer' capable of designing and manufacturing complex physical products such as jet engines. Bezos framed AI pessimism about job losses as the 'opposite of reality,' arguing that AI could create a labor shortage by expanding productive capacity. The significance is that Prometheus sits exactly at the intersection of AI and the physical stack. If software models become industrial engineering systems, AI demand will migrate from text, code and customer support into factories, aerospace, robotics, manufacturing and materials. That means more compute (and associated power demand) for simulation, design iteration, digital twins, automated testing and eventually AI-designed supply chains. The model layer is therefore not escaping infrastructure; it is beginning to colonize the hardest parts of infrastructure itself.

Read-Through: *Prometheus is a philosophical cousin to the power-first data center boom: the next AI frontier is not digital entertainment, but physical production. If AI starts engineering jet engines and factories, compute becomes an industrial input like electricity, gas and steel.*

Links: WSJ

ECONOMY

KIOXIA OVERTAKES TOYOTA: AI MEMORY BECOMES JAPAN'S NEW MARKET-CAP LEADER

Kioxia's move past Toyota is not a normal equity-market rotation; it is a macro signal that AI infrastructure is repricing national industrial hierarchies. *Bloomberg* reported that Kioxia shares rose 7.6% on Friday, lifting the memory-chip maker above ¥44 trillion ($274 billion) of market value, just 18 months after its stock-market debut. Toyota closed at ¥43.8 trillion, meaning Japan's largest company by market value is now a memory supplier rather than its flagship automaker.

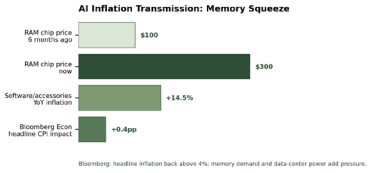
The magnitude of the move is striking: Kioxia has surged more than 670% this year, making it the best performer in the MSCI World Index. Investors are valuing memory not as a cyclical commodity input but as a strategic bottleneck for AI data centers. For Digital Power, the key implication is that the compute supply chain is becoming a macro asset class: memory, power, cooling, transformers and land are all being repriced as scarcity components of the same AI factory.

Read-Through: *Japan's corporate leaderboard is being rewritten by the AI data-center stack. The old industrial champion was Toyota; the new market signal is memory. That is the equity-market version of the same thesis driving Digital Power: scarce physical inputs to AI are moving from vendor status to strategic platform status.*

Links: Bloomberg: Kioxia / Toyota

AI DEMAND BECOMES INFLATIONARY: MEMORY SQUEEZE HITS CPI TRANSMISSION CHANNEL

The AI boom is now visible in inflation data, not only in capex budgets and equity multiples. *Bloomberg* reported that RAM chips that sold for roughly $100 six months ago are now around $300, a 3x move that is changing upgrade economics for small-business IT buyers. Software and computer accessories were up a record 14.5% year over year in May, and Bloomberg Economics estimates the memory squeeze will add 0.4 percentage point to headline inflation before easing.



Bloomberg and Bloomberg Economics data points from the AI inflation article.

The broader point is that AI is no longer a deflationary software story. It is a physical-economy demand shock. Data centers are absorbing vast quantities of memory chips, while higher electricity demand is adding another inflation channel through power prices. Headline inflation has already moved back above 4%, with oil still the principal driver, but AI is now a measurable contributor. The market implication is two-sided: AI is supporting growth, equities and industrial capex, while also pressuring input costs, household electronics and monetary-policy optics.

Read-Through: *AI has crossed from productivity narrative into inflation basket. Digital Power is a macro theme: the same data-center buildout supporting GDP, equities and infrastructure investment is also tightening memory and power markets enough to show up in consumer inflation.*

Links: Bloomberg: AI inflation / memory squeeze

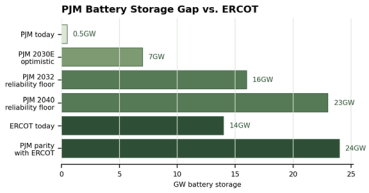
ELECTRICITY MARKETS

Read-Through: *This week's electricity-market tape shows the same structural constraint from four angles: PJM lacks the storage market architecture needed for data-center load; summer solar is scaling quickly but still needs firming; AI demand is slowing fossil retirements; and Carlyle's "New Joule Order" reframes energy capacity as strategic control, not a commodity afterthought.*

PJM BATTERY GAP: 24GW PARITY REQUIREMENT VS. LESS THAN 0.5GW TODAY

PJM's battery shortfall is primarily a market-design problem, not a technology problem. ERCOT entered 2026 with roughly 14GW of batteries serving an 85-90GW peak load, a 16-17% battery-to-peak-load ratio. Applying the same penetration rate to PJM's roughly 150GW peak load implies about 24GW of batteries. PJM has only about 0.5GW of operating battery storage today.

The U.S. Energy Storage Coalition reliability floor cited in the note is 16GW by 2032 and 23GW by 2040, and that was before the data-center load forecast was rewritten. ERCOT added nearly 6GW in a single quarter in 2025; PJM awarded interconnection agreements for only 1.9GW of battery projects across the entire first transition cycle. Even an optimistic 7GW online by 2030 leaves PJM far short of both ERCOT parity and the reliability floor.



Keel analysis from attached PJM battery note; ERCOT and PJM storage figures as cited in the note.

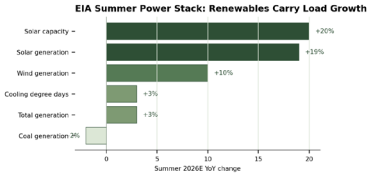
Analyst Read-Through: *The backstop auction may patch a near-term capacity hole, but it is not a market architecture. Texas built batteries because the market made it profitable to move quickly at scale (however short-term); PJM will likely remain structurally short until interconnection speed, cost allocation and distribution-edge price signals are fixed.*

Links: *Attached Keel / PJM battery storage note*

SOLAR CAPACITY UP 20% INTO SUMMER; RENEWABLES ABSORB THE LOAD-GROWTH SHOCK

EIA's summer outlook, reported by *Utility Dive*, points to a renewable-led balancing stack. Utility-scale solar capacity is up 20% from last summer and solar generation is expected to rise 19%. Wind generation is expected to increase 10%, hydro roughly 5% and nuclear 1%. At the same time, cooling degree days are forecast up 3% from June through September, and total generation from June through September is expected to reach roughly 1,620 billion kWh, up about 3% from last summer.

The important market signal is that EIA expects that incremental generation to be met almost entirely by renewable fuel sources. Coal generation is projected to decline 2%, coal production is forecast to fall across all regions through at least December 2027, and 2Q26 coal consumption is expected to be 11% lower year over year. The risk case is summer heat plus higher natural gas prices, which could temporarily pull coal back into the dispatch stack.



EIA summer 2026 outlook figures as reported by Utility Dive.

Analyst Read-Through: *The U.S. grid is adding renewable energy quickly, but AI/data-center load is changing the shape of the problem. Solar can cover energy growth, but reliability and deliverability still require storage, transmission and firming products that can move capacity into the hours and locations where hyperscale load actually clears.*

Links: Utility Dive

DATA-CENTER LOAD IS SLOWING COAL RETIREMENTS AND ACCELERATING GAS LOCK-IN

The Register's Earth Day piece, citing research from US PIRG Education Fund, Environment America Research & Policy Center and Frontier Group, frames the coal story of the AI load boom. Rising data-center demand is forcing utilities to keep some fossil plants online longer. In Omaha, for example, decommissioning coal-burning generators at the North Omaha plant was reportedly deemed a power-shortage risk given rising demand from nearby server farms.

The numbers are striking: roughly 40% of coal retirements or fuel switches scheduled by year-end 2025 had not taken place; if coal retirement had continued at the 2022 pace, the relevant plants would be shut by 2040, while the current pace implies coal plants linger until 2065. Gas is also being locked in: 13.2GW of gas capacity is scheduled to retire by 2030, but 41.8GW of new gas plants are set to be added. Separately, 15 'zombie' plants have been kept online beyond planned.

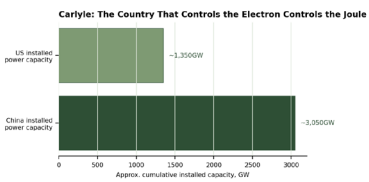
Analyst Read-Through: *AI load is becoming a dispatch-policy forcing function. Without new gas generation, renewable storage and transmission, digital-load growth will extend the life of legacy thermal assets and create a carbon accounting challenge for the same hyperscalers highlighting their clean-power procurement.*

Links: The Register

CARLYLE'S "ABUNDANCE ILLUSION": THE ENERGY-SECURITY PREMIUM RETURNS

Carlyle's Jeff Currie argues that markets have accepted an 'abundance illusion' - the idea that weak spot prices and bearish positioning mean energy scarcity has disappeared. His counter is that the world has underpriced physical commodity security for a decade and that repricing will be nonlinear. The core frame is his White Paper 'The New Joule Order': the country that controls the electron controls the joule, and the country that controls the joule controls the AI race.

The China comparison is the strategic tell. Carlyle's chart shows China's installed power-generation capacity climbing to roughly 3,000GW by 2024 versus roughly 1,300GW for the U.S. China built optionality first - power capacity, EV charging, coal-fired industrial switching and domestic generation - while the West debated abundance. Currie notes Chinese EV charging on a five-day May holiday rose 55.6% year over year; switching from gasoline to coal-fired power for transportation adds another 0.3-0.5 million barrels per day of oil displacement; and aggregate Chinese demand flexibility may be worth roughly 2 million barrels per day.



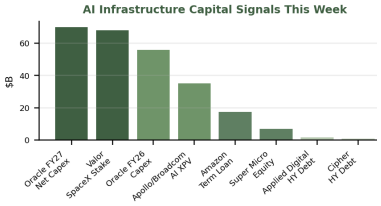
Approximate 2024 installed-capacity comparison from Carlyle/BNEF chart.

Analyst Read-Through: *The Carlyle note is the macro version of the Digital Power thesis. AI leadership will be decided by countries and companies that build physical energy optionality before scarcity forces them to buy it at crisis prices.*

Links: Carlyle Compass

FINANCE

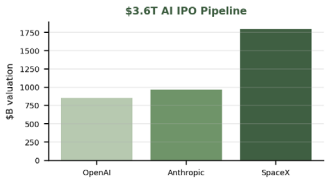
AI infrastructure finance is no longer a single-market story. This week's deal flow spanned investment-grade bank loans, Canadian-dollar bonds, private-credit platforms, high-yield project financings, equity/mandatory-convertible issuance, IPO filings, founder liquidity and semiconductor balance-sheet repair. The common denominator is that AI demand is being translated into capital-markets instruments tied to data centers, GPUs, server procurement, power-intensive compute and long-duration contracted cash flows.



Selected AI infrastructure financing and capex signals this week ($B).

OPENAI FILES CONFIDENTIALLY FOR IPO, JOINING A $3.6T AI LISTING PIPELINE WITH SPACEX AND ANTHROPIC

OpenAI filed confidentially with the SEC for an IPO, working with Goldman Sachs and Morgan Stanley, while also preparing an employee tender offer before a potential listing. The company said timing remains undecided, but the strategic read-through is not ambiguous: frontier model companies now need optionality to access public equity because private rounds and strategic investments are no longer sufficient for the scale of compute, data-center and power commitments required. Bloomberg reported that OpenAI missed certain internal revenue and user-growth targets, which makes the capital-markets sequencing more important: public-market access can diversify funding, create employee liquidity, and lower dependence on a small group of strategic backers. Bloomberg framed OpenAI as the third major AI developer in a public-listing pipeline worth roughly $3.6T. The math is striking: SpaceX at approximately $1.8T, Anthropic at a $965B valuation from last month's raise, and OpenAI at $852B based on its March funding round. This is not a conventional IPO cycle; it is the migration of AI infrastructure financing from venture/private markets into public-market balance sheets. Public investors are being asked to finance companies whose competitive moats are increasingly tied to physical capacity: launch systems, satellite networks, GPUs, power, campuses, interconnect, cooling and long-duration capital access.



Read-Through: *the model layer is being forced into the same capital markets that already finance the physical layer; the next AI IPO wave is not only about software multiples but about which balance sheets can support trillion-dollar infrastructure ambitions. OpenAI's filing is therefore not just a liquidity event; it is a compute-funding event, and public capital is becoming a strategic input into the AI compute race, not merely an exit path.*

Article link(s): Bloomberg

AMAZON INKS $17.5B CITIGROUP-LED TERM LOAN AS AI BORROWING FRENZY RAMPS

Amazon added a $17.5B delayed-draw term loan led by Citigroup, available until the end of September, with each borrowing carrying a three-year maturity. Pricing is tight for AI infrastructure capital - SOFR + 62.5 to 87.5 bps depending on Amazon's senior unsecured rating - and comes immediately after Amazon sold C$14B / approximately $10B of Canadian-dollar investment-grade bonds, the largest corporate bond offering ever in that currency. The read-through is that even the lowest-cost hyperscaler balance sheets are now using layered financing tools to fund AI commitments, equity investments and capacity procurement rather than relying only on operating cash flow. CreditSights framed the loan as potentially supporting Amazon's equity commitments to OpenAI and Anthropic, including an initial $15B commitment and up to $50B to OpenAI subject to conditions. For the sector, the signal is clear: AI infrastructure has moved from capex line item to treasury strategy. When Amazon raises $17.5B of bank debt at sub-100 bp spreads, smaller developers with contracted hyperscaler leases can use that demand umbrella to access high-yield and project-style markets at increasingly financeable levels.

Article link(s): Bloomberg

APOLLO / BLACKSTONE / BROADCOM LAUNCH $35B AI XPV CAPITAL SOLUTION

Apollo-managed funds and affiliates, partnering with Blackstone and global banks, are leading an initial $35B capital solution for Broadcom's AI XPV Platform. The platform is designed to enable more than 20GW of compute capacity for frontier AI labs through 2028 and to support Anthropic's previously announced expansion of more than 1GW of compute infrastructure beginning in mid-2026. This is one of the clearest examples yet of private credit shifting from opportunistic lending into industrial-scale AI project finance: multi-year draw schedules, investment-grade-style principal capital, silicon and networking tied to contracted demand, and hyperscaler/frontier-lab usage economics. The relevant number is not only $35B; it is approximately $1.75B per GW if compared against the 20GW platform target, before considering customer equipment, power and site-level development spend. Apollo's language - contracted cash flows, mission-critical utility, intensifying supply-demand dynamics - is effectively the vocabulary of power infrastructure being applied to compute. Read-through: the market is starting to finance AI capacity as a utility-like asset class, provided the platform can show contractual certainty, credible equipment supply and delivery control.

Analyst Read-Through: The market is starting to finance AI capacity as a utility-like asset class, provided the platform can show contractual certainty, credible equipment supply and delivery control.

Article link(s): Apollo IR

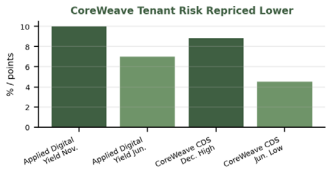
CIPHER RAISES $810M OF HIGH-YIELD DEBT FOR AMAZON-LEASED STINGRAY FACILITY

Cipher Digital raised $810M of junk bonds to finance the remaining cost of its Stingray Facility in West Texas, which will be leased to Amazon under a 15-year contract. The notes priced at 99.75 to yield 6.059%, inside initial price talk of roughly 6.25%, and the structure includes cash-flow-based amortization rather than the fixed amortization schedule typical of many high-yield data-center financings. That matters: the market is underwriting the project as a contracted infrastructure asset, not simply as corporate crypto-miner risk. Cipher's February $2B Black Pearl Compute financing and the new $810M Stingray financing show how former bitcoin mining platforms are being converted into AI compute infrastructure issuers once they attach long-term hyperscaler leases. At 6.059%, the deal also establishes a pricing benchmark just below the latest CoreWeave-linked Applied Digital issuance.

Article link(s): Bloomberg

COREWEAVE CREDIT REBOUND LOWERS APPLIED DIGITAL FUNDING COST TO 7%

Applied Digital raised $1.59B of junk bonds for additional CoreWeave capacity in North Dakota at a 7% yield, down sharply from the roughly 10% yield required on an earlier phase of the same project. The 300 bp compression is the market's signal that CoreWeave-linked tenant risk is being repriced lower as AI demand converts into operating infrastructure and long-term revenue. CoreWeave's five-year default-protection cost fell to as low as 4.52 percentage points earlier this month, versus an 8.81-point high in December. *Bloomberg* also noted that the latest Applied Digital pricing was just under 100 bps wider than Cipher's Amazon-tied bond, compared with a roughly 290 bp gap between Applied Digital and an Alphabet-linked Cipher deal in November. That is a material narrowing of the hyperscaler-versus-CoreWeave risk premium.



Read-Through: *The market still distinguishes Amazon/Alphabet credit from speculative-grade AI cloud credit, but it is no longer pricing every CoreWeave lease as binary. Deployed GPU infrastructure with contracted demand is increasingly becoming a repeatable securitizable cash-flow product.*

Article link(s): Bloomberg

COREWEAVE TESTS EUROPEAN HIGH-YIELD MARKET AS AI DEBT GOES GLOBAL

CoreWeave is holding European high-yield investor calls arranged by JPMorgan as it evaluates potential dollar and euro bond financing. The company leases AI data-center capacity to customers including OpenAI and Meta, operates nearly 50 data centers across North America and Europe, and is rated Ba3 by Moody's, B+ by S&P, and BB- by Fitch. The financing point is geographic as much as credit-specific: European high-yield investors have had relatively limited direct AI infrastructure exposure, while investment-grade issuers have already been active across global debt markets. A euro deal would widen the buyer base for speculative-grade AI infrastructure and create a European benchmark for dollar/euro cross-currency AI capacity finance.

Read-Through: *CoreWeave is becoming a clearing instrument for non-hyperscaler AI infrastructure risk. If it can place euro high-yield paper, the asset class has moved beyond U.S. private credit and U.S. high-yield into a global debt product.*

Article link(s): Bloomberg

COREWEAVE FOUNDERS SELL $2.3B SINCE IPO AS STOCK RALLIES

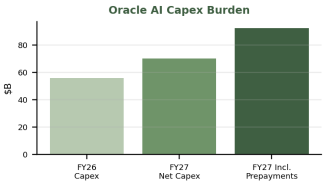
CoreWeave's stock is up more than 150% since its March 2025 IPO and the company reached a reported $56B market capitalization, while executives have sold more than $2.3B of stock under 10b5-1 plans. Co-founders Michael Intrator, Brannin McBee and Brian Venturo accounted for most of the sales; Venturo alone sold more than $1.1B after the lockup expired. The founders have reduced their combined holdings by nearly a quarter but still own approximately 18% of outstanding shares; Intrator remains the largest shareholder at 10.4%. The optics are not fatal - founder liquidity after lockup is normal - but the context matters. CoreWeave is a highly levered AI infrastructure company with heavy capex, speculative-grade ratings and intense customer concentration.

Read-Through: *Public markets are simultaneously rewarding AI infrastructure scarcity and scrutinizing governance, insider selling and balance-sheet durability. For the broader sector, insider liquidity will be tolerated only so long as execution, funding access and tenant demand remain visibly intact.*

Article link(s): Bloomberg

ORACLE AI CAPEX SWAMPS NEAR-TERM GROWTH NARRATIVE

Oracle reported $16.5B of quarterly capex and $55.7B of full-year capex for the fiscal year ended May 31, above its prior $50B guide and roughly $5B above analyst expectations cited by the WSJ. Management guided to approximately $70B of net capex in fiscal 2027, with reported capex potentially $20B to $25B higher because of prepayments for components - implying a reported gross spend range of roughly $90B to $95B. At the same time, demand indicators remain extraordinary: Q4 revenue rose 21% to $19.2B, cloud revenue rose 47% to $9.9B, cloud infrastructure revenue rose 93% to $5.8B, and remaining performance obligations reached $638B versus a $589.5B estimate. The issue is not demand; it is funding intensity and margin timing. Oracle raised $43B of debt and $5B of equity in the fiscal year just ended and expects another roughly $40B of debt/equity financing in FY2027, including a previously disclosed $20B ATM equity program. Shares fell 7%-11% in premarket/early trading because investors increasingly understand that AI backlog can be value-creating and balance-sheet consuming at the same time.



Read-Through: *Oracle is becoming a public-market test case for whether AI cloud growth can outrun the financing cost of building the physical stack.*

Article link(s): Bloomberg | WSJ

SUPER MICRO SEEKS $7B EQUITY PACKAGE TO FUND $39B AI SERVER ORDER BOOK

Super Micro announced a $7B equity package to fund AI server components: $5B of underwritten offerings and a $2B at-the-market program beginning no earlier than the third quarter. The underwritten package includes a $1.25B common share sale and $3.75B of depositary shares tied to mandatory convertible preferred stock. The stated use of proceeds is highly revealing: Super Micro has roughly $39B of orders and needs equity to purchase the components required to fulfill customer demand. The $7B raise is equal to about 18% of the order book, demonstrating how the AI hardware cycle creates enormous working-capital needs before revenue conversion. Shares fell about 9% in extended trading, reflecting the market's increasingly disciplined view of AI supply-chain finance: demand is real, but dilution, procurement timing and customer readiness still matter.

Read-Through: *Equipment providers are becoming working-capital financiers for the AI boom, and equity markets are being tapped not just for growth capital but for inventory and component procurement.*

Article link(s): Bloomberg

SEMIANALYSIS: INTEL SHOULD ISSUE EQUITY INTO STRENGTH

SemiAnalysis argues that Intel should issue equity into market strength after already raising roughly $20B from the U.S. government stake, SoftBank, Altera and Nvidia-related strategic investments. The thesis is deliberately anti-financial-engineering: Intel should repair the balance sheet and fund the fab-heavy turnaround while the equity window is open, rather than underinvest in manufacturing capacity or rely on incremental cuts. In the AI infrastructure frame, Intel is the domestic semiconductor analogue to Oracle, CoreWeave and Super Micro: strategic relevance is not enough unless the balance sheet can support the physical build. Fabs, advanced packaging, process technology and foundry credibility require enormous upfront capital with long payback periods.

Read-Through: *The AI infrastructure financing cycle is widening from data centers and GPUs into semiconductor sovereignty. The winners will be the companies that raise capital before constraints become acute, not after the market forces them to.*

Article link(s): SemiAnalysis

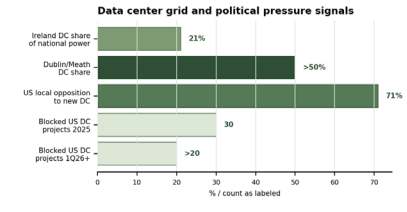
INTERNATIONAL

Read-Through: *International policy is converging on the same conclusion: AI infrastructure is not simply a data-center question; it is a grid, generation, sovereignty and reliability question. Ireland is making large loads bring power. China is fusing compute, domestic chips and grid investment into industrial policy. The Netherlands is moving toward explicit backup capacity payments as renewables and batteries alone prove insufficient for 2030 reliability.*

IRELAND'S BYOP REGIME TURNS DATA-CENTER INTERCONNECTION INTO A POWER-SUPPLY OBLIGATION

Ireland is becoming an international test case for the next phase of data-center policy: growth is allowed, but only if the large load brings energy to the table. After an effective three-year moratorium, new Irish data centers and expansions must provide on-site power or contract for new, largely renewable energy produced nearby, rather than simply drawing incremental supply from the grid. The political backdrop is stark: data centers already consume roughly 21% of Ireland's power, more than all urban homes combined, and in Dublin/Meath the share is more than half.

The U.S. read-through is direct. WSJ cites rising public opposition in America, including a Gallup survey showing 71% opposing a local data center and Data Center Watch tracking blocked U.S. projects rising from six in 2023-24 to 30 in 2025 and more than 20 in the first three months of 2026. BYOP is therefore not just Irish policy; it is a template for how constrained grids may force hyperscalers and developers to internalize power costs.



WSJ-reported Ireland power-share and U.S. opposition/blockage signals.

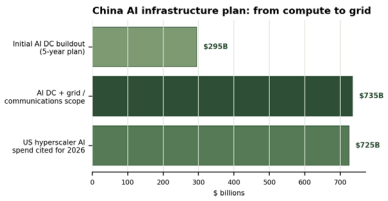
Analyst Read-Through: *The policy direction is shifting from "Can the grid serve me?" to "What power do I bring?" That is favorable to platforms with controlled generation, behind-the-meter optionality and credible local reliability benefits.*

Links: WSJ: Ireland BYOP

CHINA'S $295B AI DATA-CENTER PLAN IS A SOVEREIGN COMPUTE BUILDOUT, NOT A PRIVATE COLOCATION CYCLE

China is preparing a roughly 2 trillion yuan ($295 billion), five-year national AI data-center program designed to connect fragmented facilities into a unified computing network by 2028. *Bloomberg* reports that state firms such as China Mobile and China Telecom would operate much of the network, with senior agencies including the NDRC coordinating the blueprint. The goal is not only more data-center capacity, but nationalized compute access for enterprises, public-sector AI, health care, transportation and city management.

The technology stack is explicitly strategic: at least 80% of hardware and software, including AI chips, is expected to come from Chinese suppliers such as Huawei, effectively minimizing Nvidia and AMD participation in state-backed projects. Financing is expected to lean on sovereign debt, ultra-long-term special government bonds, state-backed industry funds, bank loans and private capital. If grid and communications upgrades are folded in, Bloomberg says the total scope could reach at least 5 trillion yuan.



Bloomberg-reported 2T yuan AI DC plan and 5T yuan+ expanded infrastructure scope.

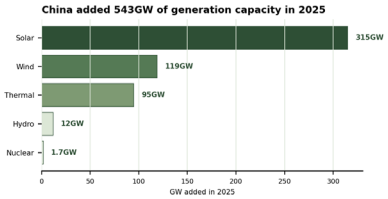
Analyst Read-Through: *China is treating AI infrastructure as industrial policy. The contrast with the U.S. is important: American hyperscalers are racing project-by-project; Beijing is attempting to build a nationally coordinated compute-and-grid platform.*

Links: Bloomberg: China $295B AI buildout | Quartz summary

CHINA'S AI ADVANTAGE IS INCREASINGLY A POWER-GRID ADVANTAGE

Bloomberg's China power coverage frames the AI race through the grid, not the model layer. China added more electricity generation capacity in the past four years than the entire U.S. system and added 543GW in 2025 alone: 315GW solar, 119GW wind, 95GW thermal, 12GW hydro and 1.7GW nuclear. Since 2023, capacity additions have averaged more than 400GW per year versus roughly 150GW annually over the prior six-year period.

That scale gives Beijing an advantage in absorbing power-hungry industries — AI, robotics, drones and advanced materials — without the same public backlash seen in Europe and the U.S. But the next bottleneck is integration: *Bloomberg* notes that curtailment and grid congestion are rising as intermittent renewables expand, making transmission, distribution and metals demand central to the AI buildout. The $295B data-center rollout therefore becomes a power-grid story as much as a compute story.



Bloomberg / NEA figures: China capacity added in 2025 by source.

Analyst Read-Through: *The country that controls the joule controls the AI race. China's buildout shows why AI infrastructure leadership is moving upstream into generation, transmission, grid operations and the metals supply chain.*

Links: Bloomberg: China power-grid investments | Bloomberg: Four-year energy spree

THE NETHERLANDS MOVES TOWARD CAPACITY PAYMENTS AS RENEWABLES AND BATTERIES PROVE INSUFFICIENT FOR 2030 RELIABILITY

TenneT's warning is a European reliability case study: by 2030, the Netherlands faces increasing risk that it cannot fully meet electricity demand. The issue is not lack of renewable growth — solar, wind and batteries are rising — but the loss of dispatchable fossil capacity at the same time electrification and load growth accelerate. TenneT says those clean additions are insufficient to fully offset declining fossil generation, especially during prolonged renewable shortfalls.

The grid operator is asking the Dutch government to create a backup-power market by winter 2029-30 — effectively a capacity mechanism that pays plants to be available even when not dispatched. That matters because it acknowledges what energy-only transition narratives often miss: capacity value does not disappear when energy margins compress. Dispatchable gas capacity can run fewer hours and still become more valuable as reliability insurance.

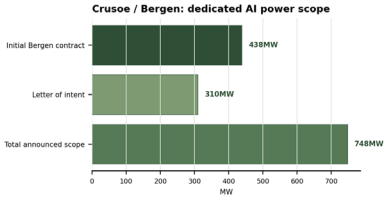
Analyst Read-Through: *Europe is rediscovering capacity value. For Digital Power, the implication is that Eurpean firming assets — gas, storage, demand response and hybrid systems — will increasingly be monetized not just for energy, but for availability and political reliability.*

Links: Bloomberg: Dutch backup power market

OEMS

CRUSOE / BERGEN: 750MW ENGINE DEAL CONFIRMS BASELOAD ON-SITE POWER IS BECOMING AI EQUIPMENT SPEND

Crusoe's Bergen Engines agreement is another OEM signal that AI data-center power procurement is moving from backup generation to dedicated baseload infrastructure. The announced scope totals roughly 750MW: an initial ~438MW contract plus a 310MW letter of intent. The initial tranche includes 27 Bergen B36:45V20AG2 units rated at 12.5MW each and 20 B36:45L9AG units rated at 5MW each, for about 437.5MW of nameplate equipment, with delivery to multiple U.S. Crusoe locations phased through 2027.



Crusoe / Bergen announced scope: initial contract plus LOI.

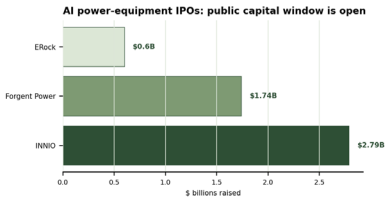
Analyst Read-Through: *AI workloads create fast, high-amplitude power swings that conventional grid service is not designed to absorb quickly. Crusoe is using medium-speed natural-gas gensets, Marelli Motori alternators and Piller Power Systems SHIELD-X dynamic power stabilization to create campus-level power quality.*

Links: Crusoe / Bergen announcement

EROCK IPO SHOWS DISTRIBUTED POWER PLATFORMS ARE BEING VALUED AS AI INFRASTRUCTURE SUPPLIERS

ERock raised $600 million in its IPO by selling 27.9 million shares at $21.50, the midpoint of its marketed $20–$23 range, implying a roughly $4.7 billion market value. The company serves data centers, utilities and large C&I customers with bridge, backup and flexible power across about 400 sites in nine U.S. states, led by California and Texas. Its RockBlock system converts natural gas from local underground pipelines into modular distributed power.

The valuation window is clearly open for power-equipment and distributed-generation names: *Bloomberg* notes INNIO's selling shareholders raised $2.79 billion the prior week, while Forgent Power Solutions' shares have more than doubled since its $1.74 billion February IPO. ERock's own financials remain early-stage — Q1 revenue rose to $31.7 million from $24.1 million, while net loss widened to $18 million from $16.7 million — but the public market is underwriting the scarcity value of modular power capacity, not current earnings power.



Bloomberg-reported IPO proceeds across AI power-equipment names.

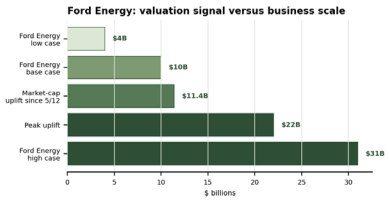
Analyst Read-Through: *Public equity is now funding the picks-and-shovels layer of AI power. The signal is constructive: investors are paying for modularity, speed, distributed siting and the ability to bridge grid constraints for large loads.*

Links: Bloomberg: ERock IPO

FORD ENERGY RALLY IS THE CAUTIONARY VALUATION CASE FOR THE AI POWER-EQUIPMENT TRADE

Ford's AI-driven battery re-rating shows how quickly public markets are capitalizing OEM adjacency to data-center power — and how speculative that can become. *Bloomberg Opinion* notes Ford's market value expanded by $11.4 billion after a Morgan Stanley note flagged its grid-battery opportunity, with the uplift reaching nearly $22 billion at the recent peak. That is a large move against a $2 billion plant pivot from EV batteries into grid batteries.

Morgan Stanley's preliminary Ford Energy valuation range was $4 billion to $31 billion, with a $10 billion base case, built on a 17.5x projected 2029 EBIT multiple versus Ford's own ~5x multiple and Tesla Energy at ~30x. The risk is that the valuation assumes rapid demand growth, capacity expansion, cost reduction, tax-credit extension and a high-multiple exit. Morgan Stanley also calculated that manufacturing tax credits would represent 85% of Ford Energy's 2029 gross profit, the year before those credits begin phasing out.



Bloomberg Opinion / Morgan Stanley figures cited in Ford Energy valuation discussion.

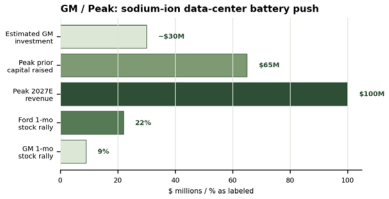
Analyst Read-Through: *The AI power-equipment trade is real, but not every OEM adjacency deserves platform multiples. The winners will be suppliers with contracted demand, proven manufacturing economics and defensible margins after subsidies normalize.*

Links: Bloomberg Opinion: Ford AI rally

GM / PEAK SODIUM-ION BET TARGETS THE AI BATTERY BOTTLENECK AND CHINA LFP DEPENDENCY

GM is using its venture arm to invest in Peak Energy, a Colorado sodium-ion battery startup targeting grid and AI data-center applications. The companies did not disclose the investment size, but The Information reports that when a $30 million estimate was raised, a GM spokesperson called it a fair guess. Peak had previously raised $65 million and CEO Landon Mossburg says the company is on track for $100 million of revenue next year.

The move is a strategic attempt to bypass China's dominance in LFP and lithium supply chains. CATL controls more than 40% of the global battery market, and LFP remains the favored chemistry for AI data-center backup and grid storage. Sodium-ion contains no lithium, is argued by Peak to be safer, requires less cooling and may offer better 20-year total cost of ownership, but U.S. scaling remains unproven. Ford's 22% one-month stock rally versus GM's 9% rise shows why Detroit is racing to attach credible grid-storage narratives to existing manufacturing and balance-sheet capabilities.



The Information-reported investment, revenue and stock-performance signals.

Analyst Read-Through: *The battery OEM race is shifting from EV-only strategy to data-center power strategy. Chemistry, cooling cost, domestic supply, and the ability to manufacture at scale are becoming AI infrastructure variables.*

Links: The Information: GM / Peak sodium-ion

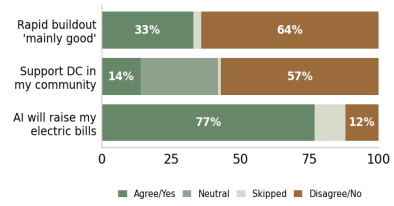
POLITICS

THE OPPOSITION CURVE GOES VERTICAL: $130B BLOCKED IN Q1, GROUPS DOUBLE TO 833

Sources: Reuters/Ipsos (June 11), Data Center Watch / 10a Labs (NBC News, June 12), NYT Climate Forward (June 9), Carolina Public Press (June 11), Seattle Times (June 9).

The defining political fact of the week is that data-center opposition has shifted from anecdote to measurable structural force. A new Reuters/Ipsos poll of 4,531 adults (June 3-8, +/-2 pts) found only 33% of Americans think building data centers at a rapid pace is mainly a good thing, while 64% disagree. Just 14% would welcome a data center in their own community against 57% who would oppose it, and the opposition spans party lines: roughly two-thirds of Democrats and half of Republicans say no to a local facility.

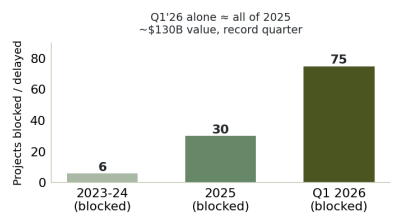
The affordability channel is the most dangerous for developers. 77% of respondents — similar shares of Republicans, Democrats and independents — worry AI will make electricity more expensive. That is the rare cross-partisan supermajority in a midterm year, and with the U.S. gasoline average above $4 for two-plus months, candidates such as Maine Senate hopeful Graham Platner are already running on it. Half of Americans also fear AI could put their household out of work.



Reuters/Ipsos, June 3-8 (n=4,531, ±2 pts): a 64% / 14% / 77% sentiment stack.

The behavioral data confirms the poll. Data Center Watch (10a Labs) found opponents blocked or delayed at least 75 projects worth about $130B in Q1 2026 — the most in any quarter since tracking began in 2023, and roughly equal to all of 2025 combined. Active grassroots groups more than doubled from 396 at end-2025 to 833 across 49 states by March, with Maryland, Ohio and Texas leading. More than 300 state bills landed in the first six weeks of 2026; moratorium proposals appeared in 14 states.

The municipal layer is where it bites first. Seattle's council voted 9-0 for a one-year freeze on large (>20 MVA) data centers; more than 70 cities and counties — Denver, New Orleans, Minneapolis, Tulsa, Birmingham — now have temporary or permanent bans, per a database kept by hedge fund Interconnected Capital. In North Carolina alone, Charlotte (150-day), Rowan County (one-year), Durham, Orange, Chatham, Apex and Boiling Spring Lakes have all paused — several with no project even proposed. Heatmap polling shows local opposition rising from 4-in-10 last August to 7-in-10 by May.



Data Center Watch: blocked/delayed projects by period; Q1'26 ≈ all of 2025.

Analyst Read-Through: *Opposition is no longer a siting nuisance; it is a quantifiable cost-of-capital input. The 77% electricity-price fear is the single most important number in this issue — it is the metric every siting conversation will be judged against.*

Links: Reuters/Ipsos poll | NBC: Data Center Watch study | NYT: Movement to Stop Data Centers | Carolina Public Press: NC moratoriums | Seattle Times: 9-0 moratorium

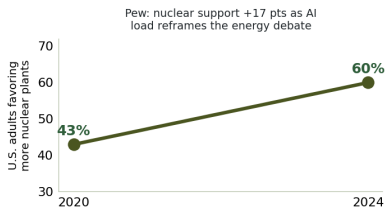
THE MIDTERM MAP: 40 OF 69 SWING DISTRICTS HAVE DATA CENTERS; ABBOTT JOINS THE RATEPAYER REVOLT

Sources: POLITICO analysis of Data Center Map / Census (June 13), Bloomberg (June 10), NYT (June 10), POLITICO/OpenAI (June 10), WSJ (June 9).

Data centers have become a structural variable in U.S. House of Representatives control. A POLITICO analysis of Data Center Map data finds 40 of 69 competitive districts already have facilities planned or under construction; roughly 1,500 are planned or being built across 232 districts in a near-even partisan split, and ~2,500 facilities now operate across 373 districts. More than one in three Americans live within five miles of an operating data center. Yet there is essentially no national party message — only scattershot local positioning.

POLITICO/Census: ~2,500 operating facilities across 373 districts; near-even split.

Every data-center ad tracked by AdImpact this cycle is critical of the facilities, and most attack Republicans. Even pro-development incumbents now caveat support with ratepayer protection: Iowa's Zach Nunn (33 operating, 31 planned) warns against "sweetheart deals for out-of-state tech companies." PA's Scott Perry (Harrisburg/York) says outright he does not want them in his district. The Virginia and Georgia 2025 results — won on affordability and data-center guardrails — are the template both parties are now reading.



Pew: nuclear support +17 pts (2020–24) as AI reframes firm-power politics.

The most consequential move this week came from a Republican. Texas Gov. Greg Abbott directed the PUC and ERCOT to ensure data centers fully fund their own electric infrastructure and to cut residential transmission costs by July 31 (MOU due July 17), plus water-efficient closed-loop cooling. Texas faces nearly 300 GW of projected demand by 2032 and data centers could consume up to 9% of state water by 2040. Ohio paused data-center tax incentives; PA's Shapiro set new development requirements May 27; the White House's March "ratepayer protection pledge" runs in parallel with Hawley's GRID Act and a Sanders/AOC federal-moratorium bill.

Two cross-currents matter for the read. First, OpenAI published research alleging China-backed operatives used ChatGPT to amplify anti-data-center narratives (notably the electricity-cost claim) — though OpenAI itself said the campaigns gained little authentic engagement, and House Republicans and Sen. McCormick (R-PA) have seized on it. Second, the constructive signal: Pew finds 60% of U.S. adults now favor more nuclear plants, up from 43% in 2020, as the tech sector reframes firm power as the answer to AI load.

Analyst Read-Through: *The politics are converging on one demand regardless of party: large loads must pay their own way and protect the residential ratepayer. Abbott — in the most pro-business state — adopting the same frame as Shapiro and the White House pledge tells you BYOP and self-funded interconnection are now the price of entry, not a differentiator.*

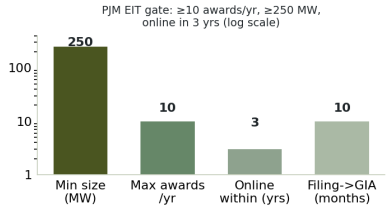
Links: POLITICO: battleground districts | Bloomberg: Abbott / ratepayers | NYT: Texas new limits | POLITICO: OpenAI on China influence op | WSJ: public backs nuclear

REGULATORY

FERC GREEN-LIGHTS PJM EXPEDITED INTERCONNECTION: 10 SLOTS/YR, 250 MW FLOOR, GOVERNOR-GATED

Sources: Utility Dive / Ethan Howland (June 10), FERC Order June 9, ClearView Energy Partners note.

FERC on June 9 approved PJM's Expedited Interconnection Track (EIT), overruling protests from Vistra, the Illinois Commerce Commission, LS Power, the New Jersey BPU and clean-energy groups. PJM will fast-track up to 10 requests per year for new or uprated capacity resources of at least 250 MW that can reach commercial operation within three years. The window is time-limited — it sunsets at the end of 2027 — and PJM expects roughly 10 months from filing to a signed generation interconnection agreement.



PJM EIT eligibility gate: ≥250 MW, up to 10 requests/yr, COD ≤3 yrs, ~10-mo to GIA.

The decisive design feature is the state gate. To qualify, a project must carry a pledge from the state's "primary siting authority" — explicitly including a governor's office — that it supports expediting the project. FERC framed EIT as a near-term resource-adequacy patch as data-center load outruns supply, and rejected Vistra's claim that the readiness tests favor load-serving entities, stating the criteria target "shovel-ready" projects whether IPP- or utility-affiliated. FERC also dismissed as "speculative" the argument that EIT would crowd the regular queue or shift upgrade costs onto other customers.

Timing is the tell for the capacity market. ClearView Energy Partners notes PJM could name the first 10 EIT projects in October — two months before the base capacity auction for the 2029/30 delivery year. Commissioner Rosner's concurrence underscored that governors, PUCs and legislatures are now necessary partners to build generation fast enough to keep PJM reliable and affordable. PJM CEO David Mills called it a pathway for shovel-ready generation "of any kind."

Analyst Read-Through: *The binding constraint is now political, not technical — the governor/primary-siting pledge is the gating asset. Developers should be cultivating that state-level sponsorship now, because only 10 slots clear per year and the first cohort lands in October, ahead of the 2029/30 BRA.*

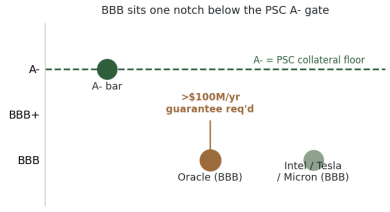
Links: Utility Dive: PJM EIT / FERC order

WHO PAYS, AND WHO POSTS COLLATERAL: FIRSTENERGY'S TRANSMISSION ASK MEETS THE BBB CREDIT WALL

Sources: Utility Dive (June 9), Maven Solutions FERC filing, Wisconsin Watch / Paul Kiefer (June 12).

Ahead of FERC's expected June 18 large-load interconnection decision, FirstEnergy asked the Commission to make data centers — not existing ratepayers — pay for the transmission upgrades that serve them, borrowing the incremental-pricing model used for gas pipelines for 25+ years. Under the proposal, a data center signs a 15-year contract with collateral and pays two components: its pro-rata share of the existing zonal transmission rate plus an "expansion rate" covering the new network upgrades built for it, reallocated annually as new loads attach. FirstEnergy says this implements the White House March "Ratepayer Protection Pledge" (signed by Amazon, Google, Meta, Microsoft, OpenAI, Oracle, xAI) that current rules otherwise block.

Maven Solutions pushed back at FERC, arguing the framework guarantees the transmission owner's cost recovery, collateralizes its investment, and shifts all demand-forecast, utilization and cancellation risk to the customer — while ignoring host communities, which it warned would "deepen" opposition. It urged "anti-overbuild" safeguards via independent engineering review and that large loads meet NERC's emerging large-load reliability obligations.



Wisconsin PSC sets an A- collateral floor; Oracle and several majors sit at BBB.

Wisconsin shows the same fight one layer down, at the credit gate. The PSC's April "very large customer" structure requires data-center developers rated below A- to post cash or letters of credit. That snares Oracle (BBB — investment-grade, but a notch low) on its Port Washington campus with OpenAI and Vantage: the Oracle subsidiary would owe >$100M/yr in guarantees. We Energies asked the PSC to reopen, proposing a stepped, lighter standard for investment-grade BBB names (Intel, Tesla, Micron also sit at BBB). Ratepayer advocates invoked Enron — BBB a year before its 2001 collapse — and noted Oracle's debt-to-equity topped 400% in May versus 80% or lower at peer hyperscalers.

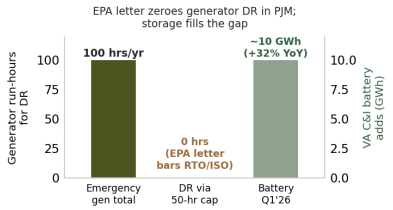
Analyst Read-Through: *These two filings define the new cost-and-credit perimeter for large-load development. The market is converging on "the load that drives the build pays for the build" — precisely what a behind-the-meter, self-funded interconnection avoids. The credit gate is the subtler signal: as hyperscaler and lab balance sheets lever up (Oracle 400% D/E), counterparty credit and collateral structuring become the gating diligence item for any tenant contract.*

Links: Utility Dive: FirstEnergy / FERC cost allocation | Wisconsin Watch: We Energies / Oracle credit

THE BTM PARADOX: VIRGINIA WANTS DEMAND RESPONSE, EPA BARS THE GENERATORS, AND THE SHADOW GRID GROWS

Sources: Utility Dive / Robert Freedman (June 11), BackupPower AI analysis, SELC xAI notice; Infrastructure Research / Yair Titelboim (May 27).

Virginia's April law directs Dominion and Appalachian Power — serving the densest data-center cluster on earth — to offer demand response to customers of 25 MW or more, letting them shift off the grid to on-site power at peak. The catch is federal: emergency generators may run for non-emergency use only ~100 hrs/yr, with a 50-hr DR sub-cap — and an EPA interpretive letter now bars generators in RTO/ISO territory from the 50-hr DR pathway entirely. Because Dominion and AEP sit in PJM (the largest ISO), most VA data-center generator capacity simply cannot bid into DR. The largest U.S. markets (also CA, IL, TX) face the same wall.



EPA letter zeroes generator DR in PJM/ISO territory; batteries (+32% YoY) fill the gap.

The workaround — reclassifying generators as non-emergency — triggers Tier 4 standards, HAP limits and continuous monitoring; retrofits (DPF, SCR, oxidation catalysts) run $100K-$500K+ per engine, and many units can't comply without replacement. The compliance risk is live: the SELC has noticed intent to sue xAI's Memphis Colossus over ~three dozen gas turbines (421 MW) it says emit >2,000 tons/yr of NOx. The cleaner path is storage: U.S. facilities added ~10 GWh of batteries in Q1 2026 (+32% YoY, SEIA), and a second VA law pushes Dominion/AEP to procure 21,000+ MW of storage by 2045.

Zoom out and these constraints help to explain the so-called "shadow grid" identified in a recent report from Infrastructure Research that documents Texas campuses filed under serialized shells — Stargate Abilene appears at TCEQ only as "Abilene DC 1, LLC" / Longhorn Data Center (1.2 GW interconnect, 62 backup gensets, 170 MW backup); Galaxy Helios I (1.63 GW, CoreWeave); ElectriGen (1.8 GW BTM). ERCOT's large-load queue is ~230 GW against ~7.5 GW actually connected, with up to ~93% projected to wash out under SB-6's attestation gate. Capital-rich campuses aren't waiting on the queue — they're going behind the meter, burning gas that shows up in TCEQ air permits but never in the ISO load forecast.

Analyst Read-Through: *Diesel/gas backup is becoming a compliance double-edged sword — capped for DR, exposed to Tier 4 retrofits and Clean Air Act litigation — but potentially dispatchable with significant retrofits. Meanwhile purpose-built, grid-interactive generation plus storage is what regulators now want monetized.*

Links: Utility Dive: VA demand response hurdles | Infrastructure Research: the shadow grid

SUSTAINABILITY

AMAZON DISCLOSES 2.5B GALLONS, 0.12 L/kWh: WATER EFFICIENCY BECOMES THE NEW SITING CURRENCY

Sources: Bloomberg / Matt Day & Michelle Ma (June 11), Amazon News / Alex Davies (June 11); Amazon 2025 Sustainability Report.

Amazon used the AWS sustainability cycle to put a hard number on a politically radioactive question: its global data centers withdrew about 2.5 billion gallons of water in 2025, which the company frames as roughly 5% of metro Seattle's annual consumption and a rounding error against the ~3.3 trillion gallons Americans pour on lawns each year. The disclosure is less a sustainability footnote than a competitive weapon. Amazon pegged its water-use effectiveness at 0.12 liters per kilowatt-hour, down from 0.15 in 2024, versus Microsoft at 0.27 and a claimed industry average near 0.84 — a roughly 7x efficiency lead the company is now marketing directly to regulators and host communities.

The mechanism matters for power developers. AWS runs free-air cooling about 90% of the year and only switches to evaporative cooling above ~85°F, having deliberately raised server temperature thresholds to cut water hours. The trade-off is explicit and revealing: chillers that eliminate water draw 25–35% more electricity, and that incremental load lands precisely at system peak when the grid is most stressed. Amazon's own framing — better to spend some water on the hottest days than to overconsume power when everyone else is — is an admission that water and power are now a single optimization, not two separate ESG line items.

Two caveats temper the headline. Amazon's figure excludes colocation sites (about a fifth of its compute) and excludes the water embedded in generating the electricity it consumes — the larger, off-balance-sheet number that critics care about. Researchers and a widening set of jurisdictions (Utah's new disclosure law, Oregon's The Dalles fight) want facility-level granularity that Amazon still does not provide. The replenishment story is real but partial: 75% toward a 2030 water-positive goal, 3 gallons returned for every 4 used, 50-plus projects targeting 5.8 billion gallons, and 26 sites on 100% reclaimed water with 130 more contracted.

Analyst Read-Through: *Water — not just power price — is now a quantifiable permitting variable, and the hyperscalers are pre-emptively arming siting fights with efficiency metrics and replenishment pledges. The strategic read is that water-and-power are a single optimization (chillers cut water but add 25–35% peak load), which favors a behind-the-meter platform that controls both.*

Links: Bloomberg: Amazon data-center water use | Amazon: how we make data centers water-efficient

APPENDIX | MARKET DATA | CALENDAR | KEY LINKS

MARKET DATA

Metric	Latest	Prior / Ref	DPW Read
PJM BRA 2027/28	$333.44/MW-day	$329.17 (26/27)	Price-cap clear; RTO short of reliability req.
KEEL (NASDAQ/TSX)	~$5.6	$4.08 mid-May	+~84% 1-mo; ~$3.4B mkt cap
SpaceX IPO	$75B raised	$1.8T debut	~$2.1T close; record IPO
Oracle FY26 capex	$55.7B	$50B guide	~$70B net FY27 guide
CoreWeave 5Y CDS	~4.52 pts	8.81 pts (Dec)	Tenant risk repricing lower
Applied Digital HY	7.0% yield	~10% prior phase	300 bp compression
Kioxia mkt value	Y44T ($274B)	Toyota Y43.8T	Japan's most valuable co.

CALENDAR

Date	Event	Why It Matters
Jun 18, 2026	FERC large-load interconnection decision	Cost-allocation / collateral precedent
Jul 17, 2026	TX PUC/ERCOT MOU due (Abbott directive)	Data centers fund own infrastructure
Jul 23, 2026	FERC AD26-7-000 (RBP) docket	RBP/CIFP enforcement calendar
Jul 31, 2026	TX residential transmission cost cut	Ratepayer-protection deadline
Oct 2026	PJM names first 10 EIT projects	2 mos before 2029/30 BRA
Dec 2026	PJM 2029/30 Base Residual Auction	Next capacity clearing signal
YE 2027	PJM EIT track sunset	3-yr COD window closes

KEY LINKS

Resource	Reference
PJM EIT / FERC order (Jun 9)	Utility Dive / FERC
Carlyle 'Abundance Illusion'	Carlyle Compass
Reuters/Ipsos opposition poll	Reuters / Ipsos
Epoch AI single-site compute	epoch.ai

APPENDIX | GLOSSARY + WATCH LIST

GLOSSARY

Term	Definition
BTM	Behind-the-meter: load and/or generation located on the customer side of the retail meter. Depending on configuration, it may reduce reliance on grid interconnection but does not necessarily avoid utility/RTO review.
BRA	Base Residual Auction: PJM's forward capacity auction setting the MW-day clearing price.
EIT	Expedited Interconnection Track: PJM fast-track process for up to 10 interconnection requests per year from resources of at least 250 MW that can come online within three years; temporary through YE2027.
UCAP	Unforced Capacity: a resource's accredited capacity adjusted for forced-outage performance.
ELCC	Effective Load Carrying Capability: accreditation method scaling nameplate to reliability value.
DR	Demand Response: load reductions bid into wholesale markets as a capacity/reliability resource.
LDA	Locational Deliverability Area: PJM sub-zone with its own capacity target and import limit.
RBP	Reliability Backstop Procurement: PJM mechanism to backstop capacity from accredited resources amid resource-adequacy shortfalls.
BYOP	Bring-Your-Own-Power: developer arrives with self-funded, self-built generation.

WATCH LIST

Name	Category	Signal	Watch For
Crusoe	Developer	Wyoming pause; Bergen 750MW	Execution depth vs. speed
CoreWeave	AI cloud	Euro HY test; CDS tighter	Cross-currency benchmark
Oracle	Hyperscaler	400% D/E; $70B capex	Funding vs. backlog
Ford Energy	OEM	$11-22B re-rating	Subsidy-dependent margins
KKR / Helix	Capital	$10B+ integrated vehicle	Vistra power coordination
FirstEnergy	Utility	FERC cost-allocation ask	Jun 18 decision
Meta Hyperion	Campus	$200B+, 5GW, LA	Community-consent template

APPENDIX | ARTICLE ROLLUP / SOURCE LIST

ARTICLE ROLLUP / SOURCE LIST

Section	Headline	Source	Date
Spotlight	SpaceX IPO validates infrastructure asset class	Bloomberg	Jun 11-13
Spotlight	Colossus 1 leased to Anthropic	Bloomberg	Jun 12
Development	OpenAI 10GW Ohio campus, Nvidia credit	The Information	Jun
Development	Anthropic 1GW+ LOIs, Google backstop	The Information	Jun
Development	Google/Intersect Meitner power-first campus	Intersect	Jun
Development	Meta/Reliance first India AI data center	Bloomberg / Meta	Jun 10
Development	Meta Hyperion reshapes Richland Parish	Bloomberg BW	Jun
Economy	Kioxia overtakes Toyota	Bloomberg	Jun 12
Elec. Mkts	Carlyle 'Abundance Illusion'	Carlyle Compass	Jun
Finance	Amazon $17.5B Citi term loan	Bloomberg	Jun 10
Finance	Apollo/Blackstone/Broadcom $35B AI XPV	Apollo IR	Jun
OEMs	Crusoe/Bergen 750MW engine deal	Crusoe / Bergen	Jun
Politics	Opposition curve: $130B blocked Q1	Reuters/Ipsos, DCW	Jun 11-12